

**GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:1265
ANSWERED ON:02.08.2010
WAGES UNDER MGNREGS
Hazari Shri Maheshwar

Will the Minister of RURAL DEVELOPMENT be pleased to state:

- (a) whether the wages under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) in the country including Bihar are in conformity to the All India Consumer Price Index;
- (b) if so, the details thereof; and
- (c) if not, the reasons therefor to correct the said difference?

Answer

MINISTER OF STATE IN THE MINISTRY OF RURAL DEVELOPMENT (SHRI PRADEEP JAIN 'ADITYA')

(a)&(b): Hon`ble Finance Minister in his budget speech announced that `we are committed to providing a real wage of Rs. 100/- a day as an entitlement under the MGNREGA`. As a result, the Central Government, in exercise of power vested under Section 6(1) of the Act has decided policy for wage rate revision for the purposes of Mahatma Gandhi NREGA. The policy decided is as under:

`Proposals received from State Government for wage revision under Section 6 (1) of MGNREGA will be considered and acceded to by the Central Government and notified subject to the ceiling of Rs.100/- per day. Anything higher than this has to be paid by the State Governments from their own budgets. States with Wage Rates above Rs.100/- per day, as notified by the Central Government under section 6(1) of the Act on 1st January, 2009, will be retained at that level`.

In accordance with the Policy for Wage Rate revision, a Notification dated 15th December, 2009 under Section 6(1) of NREGA has been issued.

(c): A committee to develop a mechanism to evolve a framework to create a separate index for updation of MGNREGA wages has been constituted. Ministry of Rural Development has also constituted a Working Group on wages to study and formulate indexing methods for arriving at a real wage of Rs. 100 per personday.